

Direct Care Wage Increase Information

October 5, 2005

Definition of Terms:

Direct Care Worker

"Direct Care Staff" is defined by the Department as employees of a provider who spend at least 75% of their time working directly with the youth or in youth specific activities. These employees are primarily responsible for the implementation of the treatment goals of the youth. Based on this definition, direct care staff provide Community Based Psychiatric Rehabilitative & Support Services (CBPRS), Youth Day Treatment services, Therapeutic Group Home services, Residential Treatment Center services, and Therapeutic Family Care services. Youth Case Management services do not meet this definition nor qualify for this salary supplement.

Support Staff:

Support Staff is an employee who is providing indirect care to Montana Medicaid Youth. Such staff would be involved in Housekeeping, Cooking, Transportation, Etc.

Provider:

An organization enrolled in Montana Medicaid that may provide multiple Medicaid Services.

Benefits:

For the purpose of the \$.26 provided to the employer it is intended the amount offset the increase in benefits (FICA, UI, Workers Compensation , etc).

Guiding Principles of the Direct Care Wage Increase

- 1) The increase must be given to the lowest paid direct care worker first.
- 2) It is to be given as an hourly rate increase.
- 3) Funding is based upon Montana Medicaid Full Time Equivalency
- 4) It is to be sustained as long as funding is made available.
- 5) Documentation of how it is applied to an hourly wage increase must be maintained.
- 6) It is subject to an audit
- 7) Funding is available for the staff who have been identified in the Definition of Direct Care Worker performing Montana Medicaid Services.

Questions and Answers

- 1) **Can the allotment be paid retroactive?**

The intent of the Legislature is to have the direct care worker receive an increase in their hourly rate of pay beginning October 1st. Because the intent is for the funding to be provided as a reimbursement it would appear appropriate that for the first month it would be a retroactive payment.

2) How may the Direct Care Wage Increase be paid out? Can it be given as a Stipend or Bonus?

The method of payment must be based upon raising the eligible workers hourly rate of pay. Actual allocation of the payment is left to the provider; the increase in hourly rate of pay can be given in a salary increase or a bonus. Whichever approach is used the Provider must have documentation to support an audit verifying payment made to workers. House Bill 2 directs the department to provide periodic reports that verify by worker position the amount of the increase received.

The Legislature's instruction through HB2 is for funding to be paid in an hourly rate increase for direct care workers. HB2 further instructs the rate increase to be given to the lowest paid direct care worker first. Because the funding is tied to Medicaid, the formula the department used to calculate each provider's allotment is based on Montana Medicaid Full Time Equivalency. The expectation is that the Direct Care Worker dedicating 100% of time to Montana Medicaid youth will receive \$.75 an hour increase. For the other Direct Care Workers it can be adjusted to their Montana Medicaid Full Time Equivalency.

There is an additional \$.26 for benefits to be applied to direct care workers who receive the wage increase.

No matter which way you decide to pay the increase, as long as funding is made available by the department to sustain the wage increase, the Provider must sustain the increase.

3) Does the Department intend to continue the wage increase beyond the biennium?

The Department understanding is the wage increase is intended to go beyond the biennium. Therefore, the Children's Mental Health Bureau intends to request sufficient funding to sustain the wage increase into the next biennium in the up-coming Executive Planning Process.

4) Does the Department intend to convert the Direct Care Wage Increase to a Rate Increase?

Yes, if the department can determine how a conversion can take place. The department would prefer to incorporate the direct care increase into an increase in the daily rate.

5) What if the allotment exceeds the amount needed to provide the \$.75 equivalent wage increase?

- a) The provider is free to give a higher amount than the base amount of \$.75.
- b) The provider may choose to include support staff beginning with the lowest paid worker.

6) What if we have an employee that is in more than one program and one of the programs is not an eligible program?

Funding will only be allocated for the portion of time the employee is providing service to Montana Medicaid Youth in the defined services; however, the Provider may choose to increase this employee's salary the full amount and limit the number of employees who receive the increase.